

DEBTOR: Marion Energy Inc**FINAL REPORT**
CHAPTER 11CASE NUMBER: 14-31632**COVER SHEET**

For Period 6/2015-11/2015

NARRATIVE:

On June 1, 2015, the Debtor and its secured creditor, Castlake, L.P., filed the Joint Stipulated Notice of Credit Bid Purchase and Sale Transaction [dkt # 160], which noticed the sale of substantially all of the assets of the Debtor to Castlake. Since that time, the Debtor has had no employees and no operations. The Debtor no longer had an accounting staff to provide information for monthly operating reports or prepare updated balances sheets reflecting the sale and any subsequent transactions. All that remained after the sale was an account with certain remaining reporting and payment obligations, including (1) payment of the Debtor's bankruptcy professionals; (2) filing reports with and making payments to the taxing authorities; (3) filing reports as required by and paying fees due to the Office of the United States Trustee; and (3) reconciling the post-petition payables, outstanding checks and invoices, and the Debtor's DIP account. The Debtor's only remaining professional and pre-petition employee and board member, Doug Flannery of Flannery Consultants, has provided the following ledger from the DIP account, along with the DIP account statements.

Following the filing of this FINAL REPORT, the Debtor will seek a reconciliation and, it believes, a refund of U.S. Trustee fees it may have overpaid. It will pay any remaining outstanding post-petition obligations in the ordinary course. Finally, it will determine whether the holders of still unrepresented checks can be reached and, if not, will cancel all outstanding unrepresented checks. Finally, it will pay all remaining funds to its secured creditor, asset purchaser, and DIP lender, Castlake. Castlake has agreed, pursuant to the Stipulation [dkt # 83 and dkt # 158], to pay the final agreed upon amount of fees and costs due an owing to Debtor's professionals, including its counsel, Parsons Behle & Latimer.

Attached hereto is ledger showing each transaction to and from the DIP account since the latest monthly operating report filed in this case covering the month of March 2015.

I declare under penalty of perjury that the following Final Report, and any attachments thereto are true, accurate and correct to the best of my knowledge and belief.

Executed on: 11/13/15Print Name: Douglas FlannerySignature: Title: Director

Rev. 12/10/2009

Marion Energy Inc
DIP Account Ledger
for period 4/2015 through 11/2015

Vendor	Description	Date	Receipt	Disbursement	Balance	Check #	Invoice #
WF Bank Fees	Admin-Other	4/13/2015		192.74	132,906.99	Auto	
Nelco	Direct-OPX	4/13/2015		6,263.84	126,643.15	1141	80335 & 80275
Elaine Tran	Admin-Other	4/13/2015		20.00	126,623.15	1142	expenses
Enviro Rehab	Direct-OPX	4/13/2015		14,964.99	111,658.16	1143	1147-1149
Enviro Rehab	Direct-OPX	4/13/2015		1,080.00	110,578.16	1144	1151
Nelco	Direct-OPX	4/13/2015		12,421.06	98,157.10	1145	80358-80362
JW Power	Direct-OPX	4/13/2015		638.68	97,518.42	1148	J145934
Scofield Town	Admin-Tax	4/13/2015		768.60	96,749.82	1149	2010-723
Flannery Consultants Inc.	Admin-Salaries	4/20/2015		25,000.00	71,749.82	1151	MEI003
Gollob Morgan Peddy	Admin-Accounting Fees	4/21/2015		2,000.00	69,749.82	Wire	retainer (11641)
Enviro Rehab	Direct-OPX	4/24/2015		3,922.00	65,827.82	1152	1152-1154
Nelco	Direct-OPX	4/24/2015		455.00	65,372.82	1154	80394
Thomas Petroleum	Direct-Fuel	4/24/2015		500.00	64,872.82	Wire	Gas
Various	Admin-Royalties (**)	4/27/2015		8,378.62	56,494.20	1000XX	Cure - royalties
TCS	TCS	4/27/2015	100,000.00		156,494.20	Wire	
Darin Cain	Admin-ROW	4/27/2015		20,000.00	136,494.20	1155	Cure - Pipeline right of way
Steve Ault	Admin-ROW	4/27/2015		6,000.00	130,494.20	1156	Cure - Annual lease agreement
QEP Field Services	Admin-Questar	4/28/2015		8,380.30	122,113.90	1157	Cure
Total April Disbursements:				110,985.83			
Enviro Rehab	Direct-OPX	5/1/2015		8,314.62	113,799.28	1158	1156 - 1158, pick-up
Flannery Consultants Inc.	Admin-Travel	5/1/2015		3,050.54	110,748.74	1159	MEI004
Nelco	Direct-OPX	5/1/2015		6,172.83	104,575.91	1160	80414
Rocky Mountain Associates	Admin-Other	5/1/2015		4,812.30	99,763.61	1161	11897
Gollob Morgan Peddy	Admin-Accounting Fees	5/7/2015		3,060.00	96,703.61	Wire	11641, \$1,000 retainer (117182)
EIS Environmental	Direct-OPX	5/11/2015		1,497.06	95,206.55	1162	40304011 & 40304016
Enviro Rehab	Direct-OPX	5/11/2015		6,000.00	89,206.55	1163	1160
Nelco	Direct-OPX	5/11/2015		23,802.44	65,404.11	1164	80447
Paragon Automation	Direct-OPX	5/11/2015		1,402.50	64,001.61	1165	20153529-20153531
WF Bank Fees	Admin-Other	5/11/2015		85.88	63,915.73	Auto	Bank Fee
SITLA	Admin-Royalties	5/14/2015		848.00	63,067.73	1166	3/1/2015
TCS	TCS	5/15/2015	200,000.00		263,067.73	Wire	
Traton Engineering	Direct-OPX	5/15/2015		164,697.43	98,370.30	wire	13420, \$45k retainer
Flannery Consultants Inc.	Admin-Salaries	5/15/2015		25,000.00	73,370.30	1167	MEI005
WF Bank Fees	Admin-Other	5/18/2015		65.00	73,305.30	Auto	
Enviro Rehab	Direct-OPX	5/20/2015		5,529.22	67,776.08	1168	1150, 1159, 1161-1162
DMK Environmental Engr	Direct-OPX	5/20/2015		3,720.00	64,056.08	1169	3397
QEP Field Services	Admin-Questar	5/20/2015		89.71	63,966.37	1170	915200043
Nelco	Direct-OPX	5/20/2015		16,781.40	47,184.97	1171	80503
Gollob Morgan Peddy	Admin-Accounting Fees	5/20/2015		3,000.00	44,184.97	Wire	retainer
Flannery Consultants Inc.	Admin-Other	5/28/2015		446.44	43,738.53	1172	MEI006
Darin Cain	Admin-ROW	5/31/2015		(20,000.00)	63,738.53		Cancelled check - lost
Total May Disbursements:				258,375.37			
Brown Insurance Services	Admin-Insurance	6/5/2015		50,000.00	13,738.53	Wire	D&O Insurance
WF Bank Fees	Admin-Other	6/11/2015		104.01	13,634.52	Auto	Bank Fee
Flannery Consultants Inc.	Admin-Salaries	6/30/2015		9,116.21	4,518.31	1173	MEI007
Total June Disbursements:				59,220.22			
WF Bank Fees	Admin-Other	7/11/2015		58.21	4,460.10	Auto	Bank Fee
Summit Energy	Other Cash	7/31/2015	50030.89		54,490.99	Wire	ERRONEOUS TRANSFER
Total July Disbursements:				58.21			
Summit Energy	Other Cash	8/12/2015		50,030.89	4,460.10	Wire	FIX ERRONEOUS TRANSFER
WF Bank Fees	Admin-Other	8/11/2015		60.09	4,400.01	Auto	Bank Fee
Total August Disbursements:				50,090.98			
WF Bank Fees	Admin-Other	9/11/2015		44.58	4,355.43	Auto	Bank Fee
Total September Disbursements:				44.58			

WF Bank Fees	Admin-Other	10/11/2015	<u>44.90</u>	4,310.53	Auto	Bank Fee
Total October Disbursements:			44.90			
WF Bank Fees	Admin-Other	11/11/2015	<u>267.75</u>	4,042.78	Auto	W2s, Cancel Payroll
Total November (to date) Disbursements:			267.75			

(**)-detail of royalties checks issued on 4/24 on next sheet

Avail. Balance:	4,042.78
Actual Balance:	14,212.70

OUTSTANDING/UNPRESENTED:

Beth Roti	Admin-Other	3/13/2015	17.31
MMSERV Mineral Management Ser	Admin-Royalties	4/27/2015	4,130.60
Michael Stathis	Admin-Royalties	4/27/2015	8.63
STAUFC Connie Jean Stauffer	Admin-Royalties	4/27/2015	13.38
Steve Ault	Admin-ROW	4/27/2015	<u>6,000.00</u>
Total Unpres.			10,169.92

Royalty Checks Issued on April 24, 2015

Check#	Check Date	Amount	Payee Name
100021	4/24/2015	432.95	BELLJO Joy Susan Bell
100022	4/24/2015	952.86	CORDIL Cordillera Corporation
100023	4/24/2015	13.38	DARABA Anastasia Daraban
100024	4/24/2015	13.38	DARABP Paul Daraban
100025	4/24/2015	91.93	DLOUHD David Dlouhy
100026	4/24/2015	432.95	EKB EKB California, L.L.C.
100027	4/24/2015	61.7	IPERC IPERC Royalty Fund
100028	4/24/2015	91.93	KALSTT Todd Kalstrom
100029	4/24/2015	28.12	MARKEA Markea Corporation
100030	4/24/2015	739.88	MERRIN Merrion Oil & Gas Corporation
100031	4/24/2015	91.93	MILLWM William Miller
100032	4/24/2015	13.38	NICOLT Tommy John Nicolaides
100033	4/24/2015	49.31	PIEDMO Piedmont Mineral Royalties, LLC
100034	4/24/2015	432.95	RJLNPR RJLN Properties, LLC
100035	4/24/2015	346.66	SITLA School & Institutional Trust Lands Adm.
100036	4/24/2015	324.74	SLEEMM Michael A. Sleem
100037	4/24/2015	13.38	STAUFC Connie Jean Stauffer
100038	4/24/2015	98.98	SUMMIT Summitt Energy Partners
100039	4/24/2015	4,130.60	MMSERV Mineral Management Services
100040	4/25/2015	8.63	Michael Stathis
100041	4/25/2015	8.98	John Nicolaides
Total:		8,378.62	